

CHARTER

DOE CONTRACTOR'S SUPPLIER QUALITY INFORMATION GROUP (SQIG)

I. INTRODUCTION

A. FORMATION OF SQIG:

A group of individuals within the United States Department of Energy (DOE) contractors, responding to the concerns of customers and stakeholders, developed a strategy to minimize duplicate contractor evaluations of suppliers. The strategy included developing a common supplier database, with the objectives of relieving suppliers of redundant evaluations, improving customer-supplier relationships, and reducing costs. Through efforts to identify a champion for this initiative, the Supplier Quality Information Group (SQIG) was initiated in 1991. SQIG has evolved into a group that focuses on lowering stakeholder costs, promoting excellence in all aspects of supplier quality initiatives, and providing a forum in which contractors can share experiences and applicable lessons-learned.

To achieve its objectives, the requirements of the SQIG Charter include provisions for performing evaluations and for sharing that information. The Charter also establishes the organizational structure for SQIG.

B. VISION, MISSION, AND GOALS:

Vision:

To provide a means for sharing experience, lowering stakeholder's cost, and promoting excellence in supplier quality activities.

Mission:

To be the preferred source of information on supplier quality used by the Department of Energy (DOE) and its contractors.

Goals:

- * To reduce costs for DOE and its contractors by sharing information on supplier quality.
- * To minimize the burden to suppliers by sharing supplier quality information.
- * To continuously improve the supplier quality information systems (e.g., SQIG Database, Web Site, List-Server).
- * To facilitate communications on supplier quality information between DOE and its contractors (e.g. QA working group, Contractors Purchasing Council, Technical Standards Program Office).
- * To attain the active participation of contractors throughout the DOE complex.

II. ORGANIZATION

A. Participation in SQIG is voluntary and open to DOE and its contractors. The SQIG information is to be used solely by the M&O (Management & Operating), IMC (Integrating Management Contractor) and subcontractors (including all tiers) to support DOE-funded work, and it may not be used whole, or in part, by contractors to support non-government funded activities. Membership is established by commitment to the policies and requirements defined in this charter and by signing a Memorandum of Understanding (MOU), Attachment No. 1. "Participating Contractors" include both members and participants (non-members who have not signed the MOU).

B. Each member organization shall have one vote on all issues brought before the membership. All issues brought to a vote, except for revisions to the Charter, shall be decided by a majority of the membership in attendance. Revisions to the Charter shall be approved by a two-thirds majority of the membership.

C. The SQIG organization shall be governed by a Steering Committee that consists of a Chair, Co-Chair, Secretary, four Directors , and a Database Administrator. These positions shall be elected every two years by a majority vote of the membership in attendance. Should any member of the Steering Committee resign, the position can be filled by an ad hoc election by the membership, or an election at the next membership meeting.

III. RESPONSIBILITIES

A. Administration

1. A SQIG general meeting shall be held annually, as a minimum; the location, host, and agenda will be determined by the SQIG Steering Committee and details distributed to the membership. The frequency of meeting for the Steering Committee and designated working groups shall be determined by the individual groups, based on their task assignment(s) and the significance of the working group's agenda. Minutes of the meetings will be recorded and distributed appropriately.

2. The responsibility of the Steering Committee and working groups shall be to develop and formulate new concepts, plans, common procedures, or changes to the existing programs. It is the responsibility of each member to support and participate in these activities. If appointed to a committee or working group, the contractor's representatives shall be responsible for supporting their work. Each activity will be documented and tracked through the use of an "Strategic Goal Implementation Plan", Attachment no. 2.

3. A newsletter shall be distributed at least semiannually that includes the following:

- a) utilization data (cost savings)
- b) examples/results of best practices
- c) lessons-learned and
- d) a summary of special topics such as suspect/counterfeit parts and other procurement quality.

B. Programmatic

To provide a sound foundation for sharing information on supplier evaluations, SQIG members and non-members agree to the following responsibilities:

1. Quality Assurance Program:

Each contractor participating in SQIG is responsible for developing, implementing, and maintaining a supplier evaluation program. The program should meet the programmatic/systematic requirements of a generally accepted program, such as DOE's Order 5700.6C "Quality Assurance, 10 CFR 830.120 "Quality Assurance", NQA-1 Quality Standard, ISO 9000, or other accepted national quality standards.

2. Qualifications for Assessor (Auditor)/Lead Assessor (Auditor) Qualification:

Personnel performing supplier evaluations that are intended for inclusion into the SQIG database, shall meet the training, qualification, and certification requirement(s) for assessor/lead assessor defined in one of the following consensus standards/certification programs:

- a. ASQ - Certified Quality Auditor (CQA)
- b. ISO-9000 series and related auditor certification/registration programs
- c. ANSI N45.2.23
- d. ASME NQA-1

IV. OPERATIONAL PROCEDURES

Where appropriate, members will be encouraged to use the following procedures which will standardize our methods of communication and behavior.

- A. Supplier Evaluation Package
- B. Database Entry
- C. Supplier Evaluation Schedule
- D. Request For Supplier Evaluation Package
- E. Tracking Utilization Data
- F. DOE Technical Standards Topical Committee
- G. Definitions
- H. Code of Ethics

V. CHARTER AUTHORIZATION:

Revised Feb. 13, 1998

Authorized SQIG Member Vote Oct. 21, 1998

Signed: Steven Stein, Date: Feb. 13, 1998
 SQIG Chair

Signed: Donald Reagan, Date: Feb. 13, 1998
 SQIG Co-Chair

CHARTER

SQIG Operational Procedures:

A. Supplier Evaluation Package

The success of SQIG depends on the credibility and the contents of each participating member's supplier-evaluation package. The evaluation package for each supplier listed in the SQIG database shall be consistent with the programmatic requirements defined by the following:

a. An evaluation plan includes (see Attachment no. 3)

(1) Purpose and scope of the evaluation. It also states limitations of the evaluation and comments about what work the supplier would be doing for the participating member.

(2) Team selection

(3) The basis of the evaluation (e.g. NQA-1, ISO-9000)

(4) A complete, comprehensive checklist (see Attachment no. 4) for each appropriate criterion specified, and

(5) A notification to the supplier of the intent to share the supplier evaluation information with SQIG.

b. An evaluation report (see Attachment no. 5) should include

(1) Basic details of the evaluation including the name and address (facility location) of the organization evaluated, date(s) of the evaluation, participants, personnel contacted, and notice of the intent to share information with SQIG.

(2) Contacts for primary supplier

(3) Scope of the evaluation

(4) Results of the evaluation; A summary including the effectiveness of implementation of their quality program

c. A completed checklist that includes

(1) The conclusion reached for each element listed on the checklist. The objective evidence examined during the evaluation that supports the conclusion shall be described.

- (2) The findings/observations identified during the evaluation.
- d. Documentation of the supplier's corrective action pertaining to the findings of the evaluation.
- e. A copy of the qualification/certification records of the lead assessor.
- f. A desk review (as applicable) of a supplier's quality manual and capability may be performed, and an evaluation report from this review generated. For the report to be entered into the SQIG database, it must include the following:
 - (1) Identify the evaluation as a desk review.
 - (2) Describe its scope and intent (also identify the items or services being procured).
 - (3) Describe any in-house experience with the supplier including quality history, if available.
 - (4) Establish that a representative sample of other customers have been contacted who have used the supplier and describe their experience.
 - (5) Describe the results of reviewing the quality manual; this may include a checklist.

B. Database Entries

Each participating member of SQIG is responsible for providing information on the supplier evaluation for entry into the SQIG database after the evaluation is complete. The decision to list a supplier in the database should depend on whether the evaluation met the requirements of the member's supplier evaluation program, and if the supplier evaluation package is available and its effectivity period is a minimum of three years from the date of completing the evaluation. Another factor that may influence the decision to submit the evaluation is the perceived importance of the commodity or service to other contractors.

C. Schedule for Supplier Evaluation

Active participation by all SQIG members in submitting planned or potential supplier evaluations and reevaluations is important in coordinating efforts. Before beginning a supplier evaluation, it is the responsibility of each member to be cognizant of whether other members are planning to evaluate the supplier, and to take appropriate action, i.e., partner with the other member, or not perform the evaluation and use the other member's report.

D. Request for a supplier evaluation package

Any member receiving a request for a supplier's evaluation package should determine its legitimacy. A request from any participating member or from the supplier can be honored. If the request is from a subcontractor of a participating contractor, the member shall check with the participating contractor before releasing the evaluation package. If assistance is needed, the SQIG Chair shall be consulted.

E. Tracing Utilization Data

Utilization data is tracked on a quarterly basis, using two forms (1) "SQIG Cost Summary" and (2) "SQIG Utilization Log". Refer to Attachment nos 6 and 7 for these forms and instructions for completing them. All data is collected by a designated SQIG member who compiles the data to create charts for the reporting period.

F. DOE Technical Standards Topical Committee

OBJECTIVES:

- 1) To serve as DOE's focal point for issues of supplier quality technical standards.
- 2) To function as the Drafter/Editor/Reviewer for developing supplier quality standards for DOE's Technical Standards Program Office (TSPO). In this capacity, the Topical Committee will assist the Office of Primary Interest in coordinating newly published standards.
- 3) To consult/define DOE's consensus position on DOE, non-DOE government, and non-government published supplier quality standards, or in coordinating any comments.
- 4) Based on the DOE guidance, prepare a draft, as requested, of supplier-quality standards for national or international use.
- 5) Partner and interface with non-DOE standards development bodies (i.e, American National Standards Institute [ANSI]/American Nuclear Society [ANS]). When the need arises, develop a government-wide technical position on supplier quality standards that non-DOE technical standards bodies can adopt.

6) Establish and maintain liaison with other DOE topical committees having mutual interests through the TSPO. [The Committee shall advise all other DOE technical committees on preparing of standards related in subject matter and correlating and consolidating similar standards prepared by these committees, the committee shall promote cooperation between these technical committees in areas of common interest.]

7) Form direct ties with counterpart organizations with standards development topical committees to participate in development and review of national and international technical standards.

8) Participate with representatives of other topical committees and the TSP manager to establish guidance and protocols for the operation of topical committees under the TSP.

G. Definitions (For Implementing the Charter)

Evaluation (Audit) - A documented activity performed in accordance with the written procedures or checklists to verify by investigation, examination, and evaluation of objective evidence, the adequacy of and compliance with established procedures, instructions, drawings, and other applicable documents; also, verify the effectiveness of implementation.

Types of evaluations include the following ones:

History - An evaluation process (desk review) in which the supplier's past performance and quality manual is reviewed and a representative sample of the supplier's customers canvassed to ascertain the supplier's quality performance and capabilities. Supplier evaluations performed by this methodology maybe entered into the SQIG database providing that criteria in the above section A.b.f are met.

Pre Award Survey - The survey is conducted before the contract is awarded and is used to evaluate the overall capability of a prospective supplier or contractor, including the adequacy and implementation of their quality assurance program.

Audit - This is similar to the pre-award survey but is conducted after the contract has been awarded.

Technical - An evaluation that is conducted to determine the capabilities of the supplier in a focused area, such as engineering, construction, or fabricating.

Assessor (auditor) - Any individual, including the lead assessor, technical specialists and others, such as management representatives and assessors in training, who are appropriately qualified and perform any portion of the evaluation.

Checklist - A listing of statements or questions that identify each element or area the evaluation is intended to address.

Corrective Action - Measures taken to resolve conditions adverse to quality and, where necessary, to preclude recurrence.

Finding - The documented result of an evaluation that identifies a noncompliance in sufficient detail to enable corrective action to be taken by the evaluated organization.

Lead assessor - An individual qualified to organize and direct an evaluation, report the findings, and evaluate corrective action.

Objective Evidence - Any documented statement of fact, other information, or record, either quantitative or qualitative, pertaining to the quality of an item or activity, based on interviews, observations, measurements, or tests which can be verified.

Observation - Any condition identified during the evaluation that is not clearly a requirement violation, but does indicate a weakness in the supplier's QA program.

Personnel Qualifications - The characteristics or abilities gained through education, training, or experience as measured against established requirements, such as standards or tests, that qualify an individual to perform a required function.

Quality Assurance Program - The documented description of all those planned and systematic actions necessary to provide adequate confidence that a structure, system, or component will perform satisfactorily in service.

SQIG Database - The database of evaluated suppliers and scheduled evaluations submitted by the participating members.

H. Code of Ethics

Ethics are a significant factor in planning and conducting an assessment. This code is particularly important in helping assessors attain an independent objectivity in their observations, their evaluations, and their subsequent analyses. This objectivity must not only be there in practice, it must also be clearly evident to all the parties associated with a particular assessment, as well as to others viewing the activities associated with it, either directly or indirectly.

The following is the Code of Ethics for the SQIG assessor:

To uphold and advance the honor, dignity, and status of the quality assessment profession, the **SQIG assessor is expected to**

- Not perform or engage in any acts or practices prohibited by any Federal, State, or Local law.
- Be honest and impartial.
- Compete fairly, extend friendship and project confidence to all associates and business contacts.
- Act professionally as a faithful agent or trustee of his or her employer and representative of SQIG.
- Be able to document the professional qualifications needed to provide clear, objective evidence of the degree of his or her technical and systems training.
- Undertake only those assessments compatible with the degree of training, experience, and proficiency he or she holds about the technical or systems operations being assessed.
- Advise of any business connections, financial interests, employment history, or affiliations which might influence, or appear to influence, judgement or impair the equitable character needed for the assessment.
- Acknowledge the development of programs by the assessor on a consultation basis which may jeopardize the independence of his or her ability to assess the suitability of those programs to meet the requirements of the standard(s).
- Not disclose information concerning the business affairs or technical processes of the assessed organization without consent to do so.
- Issue reports that are constructive in nature, and which clearly define the degree of conformance or nonconformance of the operation being assessed. Where appropriate, point out improvements to areas where short comings are noted. In all cases, the requirement against which conformance is being measured will be clearly identified.
- Ensure the operation (program) being assessed is viewed objectively.
- Qualify any findings documented against noncompliant requirement(s).

(Attachment No. 1)

DOE CONTRACTOR'S SUPPLIER QUALITY INFORMATION
GROUP

(SQIG)

MEMORANDUM OF UNDERSTANDING

2/2/98

APPROVED _____ DATE _____
CHAIRMAN

APPROVED _____ DATE _____
CO-CHAIRMAN

I. PURPOSE

This memorandum sets forth the basic agreement between the requesting contractor and DOE Contractors Supplier Quality Information Group (SQIG). The provisions of this agreement are to facilitate and accomplish the purpose of the SQIG membership (defined by SQIG Charter) and to provide:

- A. A cooperative and standard methodology for the processing of supplier evaluation information.
- B. A forum for the sharing of procurement quality lessons learned and issues.
- C. A network to facilitate procurement quality activities to meet membership needs.

II. ORGANIZATION/OPERATIONS

The organizational structure of SQIG and its operating procedures is described in the SQIG Charter.

III. MEMBERSHIP AGREEMENT

Requesting contractor (by concurrence with this memorandum) acknowledges and accepts the following conditions:

- A. Acceptance of all provisions sets forth by the SQIG Charter.
- B. Evaluation and interpreted use of all information obtained from SQIG or its membership is the responsibility of each member. The information received is to be evaluated to determine if it is appropriate for the application.

DOE CONTRACTOR'S SUPPLIER QUALITY INFORMATION
GROUP
(SQIG)
MEMORANDUM OF UNDERSTANDING

CONCURRENCE: _____
Signature Date

MEMBER INFORMATION			
Name		Title	
Company			
Street Address			
City	State	ZIP Code	Mail Stop
Telephone Number (Voice)		Telephone Number (FAX)	
COMMENTS			

Strategic Goal Implementation Plan

Goal -

Team -

Discussion -

Benefit to Customer -

Plan -

Tasks	Responsibility	Resource Reqmts.	Timeframe	Monitoring & Feedback	Comment
1.					
2.					

Tasks	Responsibility	Resource Reqmts.	Timeframe	Monitoring & Feedback	Comment
3.					
4.					

SUPPLIER EVALUATION PLAN

I. ORGANIZATION TO BE EVALUATED

XYZ Company
9999 East 48th Ave.
Denver, CO 80216
303-999-9999

II. EVALUATION DATES:

June 1 & 2, 199X

III. SCOPE:

To verify that XYZ Company complies with the applicable technical and quality requirements required by ABC to be an approved Mechanical Seals commodity supplier.

IV. REQUIREMENTS:

Standard Commercial Quality Checklist
ABC Contractor's Quality Manual
Applicable Product Specifications

V. ACTIVITIES TO BE EVALUATED:

All activities which support ability to order, control and deliver items to ABC

VI. DOCUMENTS TO BE EVALUATED:

All documents supporting XYZ Company's commercial quality program.

VII. NOTIFICATION:

M. S. Distributor
Title: Operations Manager

VIII. EVALUATION PROTOCOL:

Checklists will be used. These checklists will be structured around the requirements listed in Section IV above.

IX. SCHEDULE:

June 1 & 2, 199X 9:00-17:00

Entrance Meeting: 09:00 on June 1st
Exit Meeting: To be determined during
the course of the evaluation

X. ABC Assessor Personnel: D. C. Sqig and M. R. Assessor

PREPARED BY: M. R. Assessor Date: 5-4-9X
Assessor Team Leader

SUPPLIER EVALUATION REPORT

EVALUATED ORGANIZATION

Vendor Name
Street Address
City, State, Zip Code

DATE(S)

Month - Day(s) - Year

EVALUATION TEAM

PRIMARY SUPPLIER CONTACT(S)

SCOPE

To determine Vendor Name qualification as a distributor of standard commercial parts and materials to Contractor's Name.

EVALUATION RESULTS

- A. Summary:
- B. Findings:
- C. Observations

Initials & Last Name
Title
Assessor Team Leader

_____ ***SQIG Utilization Log***

___ Qtr, CY ___

Supplier/Date	Source	Days Saved	# audit team members	Labor	per diem	Transport	Hotel	Car Rental	Est. Savings
Requested:	Received:								
Comments:									
Requested:	Received:								
Comments:									
Requested:	Received:								
Comments:									
Requested:	Received:								
Comments:									
Requested:	Received:								
Comments:									

_____ ***SQIG Cost Summary***

_____ ***QTR, CY*** _____

1. Meeting Costs

Expense Report# _____

Amount \$ _____

Other \$ _____

Total Meeting Costs \$ _____

2. Reports

Sent to	Supplier	Date	Est. Cost	Comment

3. Total Cost for this Quarter \$ _____

Instructions for Filling Out Forms

Explanation of Utilization Log columns

Supplier/Date - Name of the supplier that the audit report pertains to and date of desk audit

Note: *Requested* and *Received* appears on each line under this column heading. Put in the dates you requested and received the audit from the other SQIG member next to these prompts.

Source - Name of the contractor that provided the audit report. If the savings comes from participation in a joint audit, enter "joint".

Days Saved - Estimated days work avoided by use of SQIG audit. Example: If two and one half days of site audit time is avoided by being able to accomplish evaluation by desk audit, enter "2.5".

Two boxes appear in this column. One can be used to record "site visit days saved" and the other days saved at your office. Example: If two and one half days of site audit time is avoided and one half day of preparation time is avoided, enter "2.5" in the top box and ".5" in the bottom box.

Days saved requires a good deal of thought. Days can be saved through avoiding the travel time and time on site needed to visit a supplier to gather information. Time can also be saved by reducing the time needed to prepare for or document an evaluation. Time savings might also be able to be attributed to avoiding time spent evaluating the technical capabilities of potential new sources.

audit team members - Number of people who would have been required to perform site audit.

Labor - (Note: As with all columns, enter "N/A" if the column is not relevant to cost structures in your organization) In the top box for a row, enter the estimated daily labor rate. In the bottom box, compute a subtotal by multiplying:

(daily rate) x (site visit days saved) x (# audit team members)

plus

(daily rate) x (office days saved)

Per Diem - In the top box for a row, enter the daily per diem that would have applied to travel. In the bottom box, compute a subtotal by multiplying:

(daily rate) x (site visit days saved) x (# audit team members)

Transportation - Use bottom box for subtotal of estimated transportation costs avoided (airfare, local transport to airport). Top box may be used for itemization.

Hotel - In the top box for a row, enter the estimated daily hotel rate. In the bottom box, compute a subtotal by multiplying daily rate times days saved times # audit team members.

Car Rental - In the top box for a row, enter the estimated daily car rental and gas cost. In the bottom box, compute a subtotal by multiplying daily rate times days saved.

Est. Savings - Total the subtotals of labor, per diem, transportation, hotel, and car rental.

Explanation of Cost Summary Log Columns

Expense Report# - Optional

Amount - Total expenses attributed to attending the SQIG meeting

Other - Other incidental costs of SQIG participation (if any)

Total Meeting Costs - Total of all item 1 entries

Sent to - Name of SQIG member that an audit record was sent to

Supplier - Supplier who was the subject of the audit sent

Date - Date audit was sent to requesting SQIG member

Cost - Estimated cost of supplying the audit (copying costs, mailing costs, review costs, etc.)

Total Cost for this Quarter - Sum of the total meeting costs and the entries in the cost column.